

MINUTES OF THE 75TH MEETING OF THE SPICES BOARD HELD
ON 17TH JULY 2012 AT COCHIN

The 75th Meeting of the Spices Board was held at 3.00 pm on 17th July 2012 in the Head Office of Spices Board at Kochi. Dr A Jayathilak, IAS, Chairman, Spices Board presided over the meeting.

The following members were present:

1. Shri Roy K Paulose	Vice Chairman
2. Shri Anant Kumar Hegde, MP	Member
3. Dr Viju Jacob	"
4. Shri Philip Kuruvilla	"
5. Shri P J Kunjachan	"
6. Dr G Venkateswara Rao	"
7. Shri K M Sulthan Ibrahim	"
8. Dr M. Anandaraj	"
9. Shri Abul Kalam	"
10. Shri Mathavan	"
11. Shri E.K. Vasu	"
12. Shri N C Saha	"
13. Shri Man Singh Parsoda	"
14. Shri George Valy	"
15. Shri Jojo George	"
16. Shri G Muraleedharan	"
17. Adv. Joy Thomas	"
18. Shri Ajay J Mariwala	"

Leave of absence was granted to the following Members:

1. Shri S Thangavelu, MP (Rajya Sabha)	"
2. Shri Rajendra P Ghogale	"
3. Shri Sanjeev Chopra	"
4. The Director (Plant), Ministry of Commerce & Industry	
5. Secretary to Govt of Kerala, Agriculture Dept.	
6. Smt Sushama Srikandath	"
7. Smt Sutapa Majumdar	"
8. Smt Amrit Raj	"

The following members were absent

1. Shri P T Thomas, MP (Lok Sabha)	"
2. Shri K C Pradhan	"
3. The Administrator, Rajasthan State Agriculture Marketing Board	
4. The Principal Director, Horticulture & Cash Crops Development Dept.	

The following officers of the Board were present:

1. Shri P M Suresh Kumar, Secretary & Director (Res)
2. Shri S Siddaramappa, Director (Dev)
3. Shri K C Babu, Director (Fin)
4. Dr M R Sudharshan, Director (Mktg)
5. Dr P S S Thampi, Dy Director (Pub)
6. Shri P Jagadeesan, Dy Director (P&C)
7. Shri K R K Menon, Scientist C, Quality Evaluation Laboratory

At the outset, the Chairman welcomed all the members especially the three new members Dr G Venkateswara Rao, Shri E.K. Vasu and Shri Man Singh Parsoda to the meeting and invited their cooperation and valuable suggestions for making the functioning of the Spices Board more vibrant.

Confirmation of the Minutes of the 74th Meeting of the Spices Board held on 9th Feb 2012.

Confirmed

Action taken report on the decisions of the 74th Meeting of the Spices Board held on 9th Feb 2012.

Secretary briefed about the action taken on the decisions at the previous Board meeting, and the Board noted the same. Actions recommended by various Task Force Committees were also noted.

The action taken report on the minimization of Aflatoxin during transit or storage was discussed at length.

Director, IIP informed that IIP had developed packaging specifications for the whole spices and ground spices for export during 1998 and it needs to be revised and upgraded now.

The question on prevention of contamination of aflatoxin during transit and storage was raised. It was informed that the contamination is to be prevented during processing and storage and not in transit. It was further informed that during transit if the container permits oxygen to enter and then whatever infection is there, it will produce the aflatoxin. The method adopted for the cashew export could be followed, where it is sealed in the modified atmosphere, and hence it does not allow to pass oxygen thereby we can prevent aflatoxin production during transit.

The modified atmosphere for packaging is for bulk transportation but when the spices are sent in small packing it is difficult to follow.

Regarding filling up of the vacant posts in Karnataka, it was informed that the key posts have been filled during the general transfer, however shortage of staff is a serious problem. It was informed that with the available limited staff, the deployment has been done.

Thereafter the Agenda items were taken up for consideration.

Item No.1 Opening of Field Offices in Sulthan Bathery and Parathodu

Noted.

Item No.2 Small Cardamom Productivity Award for 2011-12.

Approved.

Item No.3 Large Cardamom Productivity Award for 2011-12.

Approved.

Item No.4 Training programme on Quality improvement of spices for the year 2012-13.

Noted

Item No.5 Trial cultivation of Mint in Palakkad.

It was informed by Chairman that other than Palghat in Kerala, it is proposed to extend the cultivation to other states with similar agro-climatic zones. It was tried out in Pollachi also. Chairman pointed out the huge demand for the mint products. Now its production is mainly concentrated in four districts in UP.

Chairman informed the Board's plan to set up Mint Park in UP which will enable the farmers to enter into value addition.

Noted.

Item No.6 Suggestion from Shri Man Singh Parsoda, Board Member, Guna.

All his suggestions except the one for financial assistance like grant for the commercial production of spices were accepted.

Noted

Item No.7 Formulation and submission of EFC/SFC Memorandum of XII Five Year Plan of Spices Board.

The allocation of about Rs.47 crores to NE was discussed. It was informed that there are plan proposals for the development of large cardamom. It was informed by Chairman that there is plan for setting up a Spice Park in NE.

Noted.

Item No.8 Budget Estimates for 2012 - 13

Noted

Item No.9 Establishment of Mobile-Tele-Network of spice communities in different states

It was informed that the first "Mobile Tele-Network was already set up in Tamil Nadu on 11th July 2012, and would be set up in Kerala, Karnataka and Andhra Pradesh also shortly.

Noted

Item No.10 Promoting spices in association with Indian Railways

It was suggested to consider a similar association with Air India also.

Noted

Item No.11 Promotion in IRCTC Website

Noted

Item No.12 Spice Parks and Quality Evaluation Laboratories under establishment

The status of the progress of establishing Spice Parks and Quality Evaluation Laboratories was brought to the notice of the Board. The Board noted the same,

Item No.13 (a) Review of Export performance of spices during 2011-12 (b) Review on import of spices into India during April-March 2011-12 compared with April-March 2010-11

Noted the export performance and import of spices into India.

Item No.14 Mobile Spice Clinics

Noted.

Item No.15 Advisory Services

Noted.

Item No.16 Bio-agents production and supply

Noted.

Item No.17 9th Batch GAP training for quality spice production

Noted.

Item No.18 Status of consignment samples analysed by QEL, Spices Board

Details regarding the status of consignment detention during the last one year and the reason for the detention was sought. It was assured that the compiled list on Rapid Alert notification will be submitted in the next Board meeting.

Noted

Item No.19 Training programme on analysis of spices and spice products for the technical personnel from IPC member countries

Noted

Item No.20 Establishment of training centre for food safety, supply chain management in spices and botanical food ingredients

Noted

Item No.21 Constitution of expert committee to review / revise the existing rules and regulations governing the domestic marketing of cardamom including the e-auction system

An Expert Committee had been formed with Shri Roy K Paulose, Vice Chairman of Spices Board as the Chairman of the Expert Committee. The Expert Committee submitted its report containing its decisions on 20 items, and the Board considered these decisions / suggestions of the Expert Committee. The decision taken by the Expert Committee is annexed.

Regarding Item No.14 of the Report viz. Shri Jojo George's dissent, Chairman explained that this was discussed in the meeting with the Hon'ble Chief Minister of Kerala. It will be taken into consideration after studying the rules and regulations of issuance of auction licences and ensuring credibility of the new auctioneer, number of auction licences to be issued, whether it should be on rotation basis etc.

Regarding item No.16 of the Report about allotting one day weekly holiday, it was clarified that instead of having a weekly holiday, a list of holidays for the whole year has been prepared, and accordingly it was decided to follow the decisions of the Committee.

Regarding item No.18 of the Report it was clarified that the incremental value of 50 paise was fixed in 1987. Considering the present value of 50 paise after 25 years, it was decided to revise the incremental value to Rs.10/- and to be implemented after taking the traders into confidence.

Chairman shared the suggestions of the Hon'ble Chief Minister of Kerala viz.

- 1) The system of cash payment should be discontinued and replaced with the e-payment from trader to the auctioneer and from auctioneer to the farmer. Chairman informed that this was a major request by the planters to the Chief Minister.
- 2) Refund from the Sales Tax department which is pending with them for the last several years will be ensured.
- 3) Rate of the auction price is to be started with the weighted average rate of the previous auction. There should not be huge difference which may not happen within a 24 hours time.

It was decided to implement all the decisions immediately other than Item No.14 regarding issue of additional Auction Licenses, and Item No.15 regarding scheduling of auction on rotation system.

Item No.22 Study on cardamom domestic market structure, growth and future scenario by IIPM

Noted

Item No.23 Report on Spices Board delegation to Saudi Arabia 3 -5 June 2012

Secretary, Spices Board explained the success of the delegation to Saudi Arabia.

Noted

Item No.24 Spice House Certification

Revision of norms of the Spice House certification was discussed. Chairman informed that Spices Board gives guarantee on the quality of the spices by upgrading the parameters of certification to international standards. To ensure the quality, auditing is proposed.

Noted

Item No.25 Fixing export target for spices and spice products for the year 2012-13

Noted

Item No.26 Flavourit Spices Trading Limited

Noted

Item No.27 Election of Vice Chairman to the Board

Shri P.J. Kunjachan exporter-member was elected unanimously as the Vice-Chairman.

The Board welcomed the new Vice Chairman.

Item No.28 Reconstitution of Statutory Committee

It was unanimously resolved that since only five months are left, the same Committee can continue

Addl Item No.1 Amendments in the Incentive Schemes of Foreign Policy 2009 - 2014

Noted

**Addl Item No.II Proposal for Establishment of Codex Committee on Spices,
Aromatic herbs and their formulations**

Shri Philip Kuruvilla briefed the House about the Spices Board's attempt to form a Codex Committee for spices.

He had recently attended the Annual Convention of Codex and explained about FAO and WHO. FAO which was established in 1943 in 191 countries addresses food security and food for all. Similarly WHO was established in 1948 which is monitoring and assessing health trends. When both FAO and WHO started functioning, they realised missing link of food safety. Hence, Codex Alimentarius was established jointly by FAO and WHO in 1963. It covers food production and food safety with the Codes of practices and guidelines for the entire globe and with the objective to develop harmonized food standards. At present the spices do not have standard at the codex level to protect health of consumers. There are 185 member countries and 208 Observers. There is a Scientific Committee also. Now it is proposed to form a special committee in the Codex for spices, herbs, oils and its formulation. Therefore the issues can be taken up by the Special Committee for addressing it by the Scientific Committee. This good step taken by Spices Board was well appreciated by the Codex.

Noted.

Addl Item No.III Board's discussion with USFDA Officials on Spice Export

Noted

Addl Item No.IV Board attended 2012 ESA Technical Commission's meeting
Noted

Addl Item No.V Curry leaf campaign in Tamil Nadu

Noted

**Addl Item No.VI Email received from Shri Jojo George regarding the report
of the Expert Committee for Cardamom**

Noted

The meeting came to close at 5.45 pm.

ANNEXURE

Expert Committee for Small Cardamom

The Board has introduced electronic auction system for small cardamom in 2007. Two common e-auction centres were started functioning at Puttady, Kerala and Bodinayakanur, Tamil Nadu. The auctioneers have to get cardamom auction licence to take part in the auction.

The issue of Cardamom Auction License, Cardamom Dealer license conduct of auctions, payment schedule etc are governed by the Cardamom (Licensing and Marketing) Rules, 1987. In over these years, cardamom industry underwent changes. The rules and regulations governing the cardamom-auction have to be revised. A Committee was thus constituted with all stakeholders of the industry to review/revise the existing rules and regulations of domestic marketing of cardamom including the scheduling of present E-auction system.

Members of the Committee

The expert committee was formed with Shri Roy K Paulose as the Chairman and Shri Jojo Georege, Shri K. M. Sulthan Ibrahim and Shri George Vally, Shri G. Muraleedharan and Shri S.P.G.R Mathavan as members. The primary objective of the committee is to review the existing rules and regulations governing the domestic marketing of cardamom including the e-auction system.

The Committee had held 6 meetings at Kochi between January 2012 and June 2012 to study the different aspects of cardamom e-auction at length.

Suggestions/Recommendation of the Expert Committee

- 1) Ensuring remunerative returns to the growers of cardamom by fixing a minimum support price for cardamom. The expert committee suggested the Board to initiate steps to fix the minimum support price.
- 2) The expert committee suggested the Board to equip itself with the authority for issue of Certificate of Registration for Cardamom Plantations.

....2....

- 3) Action to be initiated by Spices Board to revise the rules regarding sample drawing and refund.
- 4) Supply of grading machines to Spice Growers Societies.
- 5) Taking initiative for the Reduction of VAT of Kerala Govt. on cardamom.
- 6) Spot Trade of cardamom with the help of FSTL.
- 7) Developing a device to assess the parameters of the pooled cardamom.
- 8) The Board has to assess the feasibility and impact of making modifications in the e-auction software.
- 9) The committee recommended the Board to issue new auction licenses at the existing e-auction platforms at Puttady and Bodinayakanur and at trade hubs like Kochi. The implementation of his decision may be based on a feasibility study.
- 10) The maximum time period for collection of the payment from the dealer and payment to the planter is fixed as 12 days.
- 11) The minimum incremental value in e-auction may be Re.1 per iteration.
- 12) Allotment of lot number to the planters should be based on first-cum-first-serve basis.
- 13) Electronic balance may be made mandatory in all pooling centres.
- 14) Making changes in the e-auction software based on the assessment on feasibility and impact of such software changes.
